



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

National Council of Provinces

Budget Vote Speech delivered by the

Honourable Ms T Joemat-Pettersson, MP

Minister: Agriculture, Forestry and Fisheries

Date: 06 June 2012

The Honourable Chairperson of the NCOP;

Chairperson of the Select Committee: Agriculture, Forestry and Fisheries;

The Honourable Deputy Minister;

Members of the National Council of Provinces; and the Executive Councils in the Provinces;

Distinguished guests;

Ladies and gentlemen

Honourable Chairperson, **We have turned the tide in Agriculture!**

Honourable Chairperson, it will be remiss of me not to say a few remarks about the youth on this aptly called *Youth Month* which Government will convene under the banner of *Together We Can Do More to Build Infrastructure and Fight Youth Unemployment, Poverty and Inequality*.

The Department of Agriculture, Forestry & Fisheries will also take this opportunity to align its June programme to other significant events. June will include celebrations around Environment Month under the theme: *“Green Economy: Does it Include You?”* This initiative will involve the youth in the green economy. The scourge of poverty, unemployment and inequality continues to beset our youth.

Additionally, the Department also acknowledges that on the 12th of June, the International Labour Organisation will observe the 10th World Day Against Child Labour. We call on all South Africans, business sector and civil society organisations to work with government in eradicating the challenges faced by our children and our youth.

As our former President, Nelson Mandela aptly said in a speech during 1995: *“I am confident that South Africa’s youth is more than ready to meet the challenges of freedom. Wherever you are, in the schools, in religious institutions, at work in the army and police services, in sporting bodies, as cultural workers....be assured that we love you and you shall always remain in our hearts. We are firm in our conviction that you deserve a better future.”*

Our department is exploring various innovative initiatives to draw the youth into the Agriculture, Forestry and Fisheries Sector by making the sector attractive and appealing to them. The Department is participating in Youth Month activities by planting trees in all the 100 households that would have been built by young people.

Towards the end of the month we will also be hosting a seminar titled: “The Role of Forests in Climate Adaptation and Mitigation”.

In my budget vote speech to the National Assembly barely a month ago, I expressed cautious optimism that we were finally turning the corner on employment in the agricultural sector. At that time, we reported that jobs in the sector had increased by 31 000 over the second half of 2011.

This amounts to year-on-year growth in agricultural employment of 8.8%. If one takes formal sector agricultural employment on its own, the year-on-year growth is 12.3%! For a sector that has been steadily losing jobs since the 1970s, this is extremely good news.

Since then, the release of more employment data by the Stats SA Quarterly Labour has given us more reason for celebration in the sector: over the first quarter of 2012, employment in agriculture grew by a further 26 000! The agriculture sector has been the driver of economic growth and job creation in the economy. This is a major achievement for all stakeholders.

One particular question is whether the positive trends we are beginning to see in agricultural employment are the result of our long-term efforts to improve the trade environment for our farmers.

We are now exporting three times more wine than we did a decade ago. Our soaring wine exports are surely a good thing not only for farmers' incomes and the trade balance, but also for job creation. Exports of fish and fish products have rapidly expanded in China and Cameroon. Timber and forestry products are gaining ground in China and Indonesia. And we are exporting more and more maize to Zimbabwe.

Our exports have in fact undergone a structural shift over the past decade, with a smaller share going to our traditional markets in Europe, and a larger share going to destinations in Africa, Asia and the Middle East. For instance, exports to South Korea have increased from 2% to 3%; China from 1% to 3%; and the United Arab Emirates from 1% to 3% of our agri-food export basket. Since 1994, the value of our agricultural exports has approximately doubled, after adjusting for inflation.

With rare exceptions, agri-food exports exceed imports by a sizeable margin, meaning that agriculture makes an impressive contribution to South Africa's overall trade balance.

According to the latest production forecast of 24 May 2012, the South African commercial maize crop has been set at 11 million tons.

The Department is steadily implementing the Comprehensive Agriculture Support Programme (CASP) to support subsistence, smallholder and commercial producers. CASP additionally provides effective agricultural support and streamlined services to targeted beneficiaries of land reform as well as black producers who have acquired land through private means.

For the 2009/10 to 2011/12 MTEF period, R2.6bn was allocated and transferred to provinces to implement CASP. 2 863 projects were implemented countrywide, reaching 78 842 beneficiaries.

These projects supported the entire spectrum of agricultural products by improving or providing required infrastructure for production and

providing targeted training for beneficiaries. During the same period, 677 new extension officers were recruited country-wide.

To date, 818 officers have registered with local universities for undergraduate degrees up to PhD level. 36 586 farmers received accredited and non-accredited training on agricultural production and this resulted in the creation of 20 500 jobs.

Honourable Chairperson, the total Budget allocation for our department for the 2012/13 Financial Year is R5.8 bn. The allocation to our public entities and conditional grants will be disbursed as follows:

CASP (R1, 5bn); Ilima/Letsema (R416m); ARC (R935 m); NAMC (R31m); PPECB (R600 000); Ncera (R3m); Marine Living Resources Fund (R253m).

National Treasury made available a total of R157.8 million through CASP over the 2011/12 to 2013/14 MTEF period to improve agricultural colleges' infrastructure and facilities.

This amount would also be used to ensure learning programmes accreditation and quality assurance, to establish and strengthen governance within these institutions, to ensure curricula review and provision of resources e.g., ICT and for capacity building of academic staff.

A total of R590m was allocated and transferred to provinces for the Ilima/Letsema programme during the 2009/10 to 2011/12 MTEF period. Three irrigation schemes in Taung, Vaalharts and Makhathini are being revitalised to support households, subsistence and smallholder farmers. A new irrigation scheme will be developed in Umzimvubu in the Eastern Cape to put more land under cultivation.

There are now 90 Rooibos producers in the Suidbokveld and Niewoudtville areas of Namaqualand. R30.8m was invested for the completion of the Rooibos Processing Plant. In simple terms, hundreds of jobs were created!

Honourable Chairperson, early last year devastating floods wrought havoc in six provinces, incurring damages of R1.1bn. Over the next

three years, this money will be spent in the Provinces which were declared disaster areas by the National Government.

The Branch: Fisheries Management of the department is expanding our services beyond Cape Town to make our services more accessible to all our stakeholders. In December last year, we initiated a pilot project to decentralise the permit applications and license-related enquiries services to the Eastern Cape Province.

Ladies and Gentlemen, 2012 will be remembered as the year in which the *Small Scale Fisheries Policy* was finalised and implemented. This is significant because for the first time, fishing rights will also be allocated on a community basis. Cabinet has approved the policy. This is an historic moment as the Policy finally gives recognition to a sector that had inadvertently been excluded from the Long Term Rights Allocation Process of 2005.

The *Small Scale Fisheries* policy seeks to address imbalances of the past and ensure that small scale fishers are formerly recognised,

catered for and properly managed in the current regulatory and legislative framework. We have committed ourselves to making our theme for this financial year – *“Working Together for Food Security”* – a reality by forming a partnership with the Masibambisane Rural Development Initiative (MRDI), other government departments and the private sector to ensure that we eradicate poverty and stimulate the rural economy. To date, the project has been launched in KwaZulu-Natal, Mpumalanga and the Eastern Cape.

To date, the Department has allocated 1885 implements and 378 tractors to beneficiaries across the country. This drive is a mechanism to lend a supporting hand to farmers who need it and to invest in food security in our communities.

We have established a Service Delivery Forum for the sector, which will monitor progress on outcomes related to agriculture, forestry and fisheries. We have had two meetings thus far which were attended by representatives of the industry, including farmers’ organisations, producer and commodity organisations, farm-workers as well as our state-owned enterprises.

This Forum is supported by a number of Implementation Forums that focus on a particular project, which involve public and private partnerships. We are determined to achieve the targets set in our Service Delivery agreement with the President.

Honourable Chair, this Service Delivery Forum will thus strengthen communication in the sector, act as a monitoring vehicle for service delivery and be an advisory body to the Minister and the Sector.

Honourable Chairperson, the Department of Agriculture, Forestry & Fisheries has indeed turned the corner. Our achievements are a catalyst for us to work harder and smarter, and ensure that our people are the core beneficiaries in our struggle against poverty, unemployment and hunger. These achievements are only possible when we work together with common objectives and desire positive outcomes.

I thank all the Stakeholders, the Director-General and the officials of the department.

Please refer to the attached annexure for a detailed account of the department's work

<http://www.nda.agric.za/>